

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

DOMENIC J. F. RUSSO, *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Adams Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: May 27, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on January 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

We note that based on our recommendation as well as that of your investment advisor, the Board adopted a 7.0% investment return assumption. The schedule the Board adopted funds the System even more aggressively than the prior schedule. We commend the Board for its conservative approach.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



Total Increasing
7.0% Investment Return
Total Increasing 5% Until FY31

Adams Retirement System
January 1, 2014 Actuarial Valuation

Total Appropriation Increases 5.0% through FY31

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>% Increase</u>
2015	577,114	70,000	694,788	1,341,902	9,897,353	
2016	603,084	70,000	735,913	1,408,997	9,871,062	5.00%
2017	630,222	70,000	779,225	1,479,447	9,800,366	5.00%
2018	658,582	70,000	824,837	1,553,419	9,679,894	5.00%
2019	688,219	70,000	872,872	1,631,090	9,503,780	5.00%
2020	719,188	70,000	923,456	1,712,645	9,265,623	5.00%
2021	751,552	70,000	976,725	1,798,277	8,958,439	5.00%
2022	785,372	70,000	1,032,819	1,888,191	8,574,619	5.00%
2023	820,713	70,000	1,091,887	1,982,600	8,105,875	5.00%
2024	857,646	70,000	1,154,085	2,081,730	7,543,183	5.00%
2025	896,240	70,000	1,219,577	2,185,817	6,876,728	5.00%
2026	936,570	70,000	1,288,537	2,295,108	6,095,836	5.00%
2027	978,716	70,000	1,361,147	2,409,863	5,188,909	5.00%
2028	1,022,758	70,000	1,437,598	2,530,356	4,143,345	5.00%
2029	1,068,782	70,000	1,518,092	2,656,874	2,945,465	5.00%
2030	1,116,878	70,000	1,602,840	2,789,718	1,580,423	5.00%
2031	1,167,137	70,000	33,199	1,270,336	32,113	-54.46%
2032	1,219,658	70,000		1,289,658	0	1.52%

Appropriation payments assumed to be made on January 1 of each fiscal year

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$125,000

FY15 appropriation maintained from current schedule.

Appropriation increases 5.0% per year until FY30 with a final amortization payment in FY31.